

VZCZCXRO4645
PP RUEHFK RUEHKSO RUEHNAG RUEHNH
DE RUEHKO #3100/01 1870805
ZNR UUUUU ZZH
P 060805Z JUL 07
FM AMEMBASSY TOKYO
TO RUEHC/SECSTATE WASHDC PRIORITY 5259
INFO RUEKJCS/SECDEF WASHDC PRIORITY
RHEHAAA/THE WHITE HOUSE WASHINGTON DC PRIORITY
RUEAWJA/USDOJ WASHDC PRIORITY
RULSDMK/USDOT WASHDC PRIORITY
RUCPDOG/USDOC WASHDC PRIORITY
RUEAIIA/CIA WASHDC PRIORITY
RUEKJCS/JOINT STAFF WASHDC//J5//
RHHMUNA/HQ USPACOM HONOLULU HI
RHHMHBA/COMPACFLT PEARL HARBOR HI
RHMFIUU/HQ PACAF HICKAM AFB HI//CC/PA//
RUALSFJ/COMUSJAPAN YOKOTA AB JA//J5/JO21//
RUYNAAAC/COMNAVFORJAPAN YOKOSUKA JA
RUAYJAA/CTF 72
RUEHNH/AMCONSUL NAHA 4337
RUEHFK/AMCONSUL FUKUOKA 1917
RUEHOK/AMCONSUL OSAKA KOBE 5501
RUEHNAG/AMCONSUL NAGOYA 1018
RUEHKSO/AMCONSUL SAPPORO 2726
RUEHBJ/AMEMBASSY BEIJING 7763
RUEHUL/AMEMBASSY SEOUL 3823
RUCNDT/USMISSION USUN NEW YORK 4908

UNCLAS SECTION 01 OF 09 TOKYO 003100

SIPDIS

SIPDIS

DEPT FOR E, P, EB, EAP/J, EAP/P, EAP/PD, PA;
WHITE HOUSE/NSC/NEC; JUSTICE FOR STU CHEMTOB IN ANTI-TRUST DIVISION;
TREASURY/OASIA/IMI/JAPAN; DEPT PASS USTR/PUBLIC AFFAIRS OFFICE;
SECDEF FOR JCS-J-5/JAPAN,
DASD/ISA/EAPR/JAPAN; DEPT PASS ELECTRONICALLY TO USDA
FAS/ITP FOR SCHROETER; PACOM HONOLULU FOR PUBLIC DIPLOMACY ADVISOR;
CINCPAC FLT/PA/ COMNAVFORJAPAN/PA.

E.O. 12958: N/A

TAGS: [OIIP](#) [KMDR](#) [KPAO](#) [PGOV](#) [PINR](#) [ECON](#) [ELAB](#) [JA](#)

SUBJECT: DAILY SUMMARY OF JAPANESE PRESS 07/06/07-2

Index:

- (3) Simulation of Upper House election: If slightly over 40 LDP seats, Abe will pressed to resign
- (4) Editorial: Election issues, "Abe's politics" will be questioned
- (5) Defense white paper expresses "concern" about the modernization of China's military, stresses building missile defense to meet North Korean threat
- (6) Japan now on very thin ice, starts sinking (Part 4): "I want to erase wrong image of Japan"
- (Corrected copy) Koike assumes one key post after another owing to "keen sense of (political) smell," arousing jealousy of lawmakers eager to join cabinet

ARTICLES:

- (3) Simulation of Upper House election: If slightly over 40 LDP seats, Abe will pressed to resign

MAINICHI (Page 3) (Abridged)
July 6, 2007

The official campaign for the House of Councillors election -- this year's largest political battle -- will kick off on July 12 for voting on July 29. The major focus of attention is whether or not

the ruling coalition led by Prime Minister Shinzo Abe, which has been under fire due to the pension fiasco and former Defense Minister Fumio Kyuma's A-bomb remarks, can win a majority. The dominant view is that if the ruling coalition suffered a serious setback -- meaning less than 57 seats for the entire ruling camp, including the Liberal Democratic Party obtaining slightly over 40 seats -- that would spell an end to the Abe administration. Meanwhile, major opposition Minshuto (Democratic Party of Japan) President Ichiro Ozawa declared that he would resign from his position if the opposition parties failed to win a combined majority. This newspaper has simulated the outcome of the upcoming election.

Ruling camp wins a majority

Of the 242 Upper House seats, 121 seats -- 73 electoral district seats and 48 proportional representation seats -- will be up for election. Fifty-eight seats held by the ruling coalition will be up for grabs. In order for the ruling coalition to obtain a majority (122 seats), it needs to win 64 seats.

In the event the New Komeito wins its 13 seats up for election, the LDP would need 51 seats. Many observers are pessimistic about the ruling bloc keeping a majority due to the pension fiasco, Kyuma's resignation, and other unfortunate events. If the ruling coalition succeeded in maintaining the majority, that would certainly give stability to the Abe administration.

At the same time, it would force Ozawa to resign as Minshuto president. Ozawa in fact took this view in yesterday's interview: "(The opposition parties) must jointly obtain a majority in order to change political trends. The upcoming election will be the last chance. If that can't be achieved, it's meaningless for me to remain

TOKYO 00003100 002 OF 009

as Minshuto head."

Ozawa referred to his post-election responsibility for the first time. "Mr. Ozawa clarified his responsibility in a bid to pave the way for the prime minister's resignation following a defeat of the ruling camp," a senior Minshuto lawmaker explained.

Ruling camp fails to win a majority

The ruling coalition might fail to win a majority, winning only 58-63 seats as a whole with the LDP getting 45-50 seats. Even in such a case, the prime minister would not be pressed to leave office to take responsibility, although the opposition bloc is certain to gain an upper hand.

In the previous 2004 Upper House race, the LDP garnered 49 seats under the leadership of Prime Minister Koizumi and Secretary General Abe. The LDP's poor performance only resulted in Abe's demotion to the post of acting secretary general with no changes to the fate of the Koizumi administration. Even a former cabinet minister keeping his distance from the prime minister took this view: "Mr. Abe doesn't have to worry about leaving office for the time being."

But in this scenario, an unstable Abe administration is certain to prompt the ruling bloc to lure opposition parties into joining forces with the ruling parties.

The People's New Party head Tamisuke Watanuki on July 4 left the door open for non-cabinet partnership, although he ruled out the option of forming a coalition with the LDP. Many ruling party members are eager to win PNP and Minshuto lawmakers over to their side with a view to winning a majority. Minshuto's unity is not rock solid, as seen in former postal minister Hideo Watanabe's vote for the ruling camp-presented national referendum legislation.

In this scenario, Ozawa would not be able to achieve his goal of toppling the Koizumi administration and might lose his momentum as a result.

Ruling camp gets less than 57 seats

In the event the LDP wins 44 seats or less, pushing down the ruling bloc's total to less than 57 seats, chances are that Prime Minister Abe will have to resign. Although former Prime Minister Yoshiro Mori and LDP Secretary General Hidenao Nakagawa have fended off Abe's possible resignation over the outcome of the Upper House election, some have begun pointing to the 1998 Upper House election in which the LDP won 44 seats and then Prime Minister Ryutaro Hashimoto resigned to take responsibility. "The Abe cabinet was launched mainly to win the Upper House election. What will happen to it if the ruling bloc suffered a set back is quite clear," said a senior member of the Machimura faction, to which Abe used to belong.

Such persons as Foreign Minister Taro Aso, former Chief Cabinet Secretary Yasuo Fukuda, former Finance Minister Sadakazu Tanigaki,

SIPDIS

and even former Prime Minister Junichiro Koizumi are being mentioned as possible successors to Abe, but they all lack decisive factors. Abe might refuse to resign, saying that the election was not a race to determine who should take the reins of government. With less than 57 seats, the LDP-New Komeito coalition would find it difficult to run Diet business and the prime minister would be pressed for an early dissolution of the Lower House. Some are already whispering

TOKYO 00003100 003 OF 009

another round of political realignment after the Upper House race. Minshuto head Ozawa predicted on June 24 that political realignment would follow the opposition camp's overwhelming victory in the upcoming race.

An unclear majority line

Uncertainties have emerged for the majority line of the ruling bloc. New Party Nippon Upper House member Hiroyuki Arai announced yesterday that he would leave the party. Minshuto Upper House member Shinpei Matsushita also filed a letter of withdrawal with the party.

If Arai and Matsushita were to join the ruling camp, the number of seats necessary for the ruling parties to keep the majority would be lowered from 64 to 62.

(4) Editorial: Election issues, "Abe's politics" will be questioned

MAINICHI (Page 5) (Full)
July 6, 2007

The latest session of the Diet came to a close yesterday, and each party is now gearing up for the campaign battle leading to the Upper House election (the official announcement of the campaign season is on the 12th, and the election is on the 29th). The Abe cabinet's plunging support rate, which began its precipitous drop after the pension fiasco, has shown no sign of improvement. On the 3rd, former Defense Minister Fumio Kyuma resigned in order to take responsibility for his comments regarding the dropping of the atomic bombs on Hiroshima and Nagasaki. Amidst this chaos, the election is taking place.

How should we view the upcoming election? In short, this election asks voters to decide whether or not they want the Abe administration to remain in office - in other words, we think that Abe's politics itself will be put to the question in this election.

Perhaps sensing that a tough battle is inescapable, senior executives of the Liberal Democratic Party (LDP) have repeatedly stated that "the Upper House election is not an election to choose an administration" and thus "it will not be linked to Prime Minister Shinzo Abe's remaining in or leaving office." However, this is the first time that Prime Minister Abe is facing the judgment of the nation's voters in a national election. If one is going to say that "choosing an administration is done during the Lower House election," the Lower House should have been dissolved last fall, right after Abe's inauguration, and a general election should have been held to seek the voters' affirmation. Prime Minister Abe said at a press conference yesterday, "I cannot discuss (the election) with the assumption that we will lose," but if his party loses this

first evaluative election, the Abe cabinet should assume that they could not obtain the public's trust.

At the press conference, the prime minister also announced that he would move up the deadline for verifying social insurance payment records, and it seems that pensions will be the main issue of the election. Yet the most important thing that the prime minister must address is his delayed response after members of the Democratic Party of Japan (Minshuto) notified him of the pension problem.

The prime minister has moved forward with his project to "emerge

TOKYO 00003100 004 OF 009

from the postwar regime." Following last year's revision to the Fundamental Law of Education, at the beginning of this year the prime minister announced that constitutional revision would be the main platform of the Upper House election and established a bill to set procedures for a national referendum on the constitution. The LDP has never touched any of these issues in the past. There are probably people who highly value these accomplishments. On the other hand, there are probably those who feel that there is a huge gap between what the people currently want and how the prime minister thinks. This is what it means to question Abe's politics.

Of course, pensions are not the only important election issue. This is an election where candidates who may propose constitutional revisions in a few years could be chosen. Even if Prime Minister Abe resigns, constitutional revision will be a big theme in future politics. We must begin a proper discussion now.

There is more. How should we resolve the problem of growing social disparities, a problem said to be the shadow of Koizumi's politics? How do we move forward with structural reforms? And what about US-Japan relations, Asian diplomacy, national security, decentralization of power from central to local governments...? An election where each party debates different policy issues and where voters vote after closely observing this debate - that is the type of election we want to have.

Minshuto President Ichiro Ozawa says that he wants this election to be a stepping stone to a change in administration. If he and his party are truly aiming for an "Ozawa/Minshuto administration" after the next Lower House election, then rather than simply criticizing the LDP's handling of the pension fiasco, they must offer specific plans to build the country. The LDP criticizes Minshuto's campaign pledges as being financially irresponsible and lacking viability. Minshuto must respond to these critiques.

(5) Defense white paper expresses "concern" about the modernization of China's military, stresses building missile defense to meet North Korean threat

YOMIURI (Page 1) (Full)
Eve., July 6, 2007

The government this morning at a Cabinet meeting approved the 2007 edition of the Defense of Japan (Defense white paper). The white paper expressed concern about China's military modernization and stated for the first time in connection with the military balance with Taiwan, "Changes are occurring that are giving the advantage to the Chinese side." In addition, the paper criticized North Korea's launching of ballistic missiles and nuclear testing last years, calling them "a serious threat to peace and stability of the international community." It stressed the need to quickly build a missile-defense system, including setting up an intelligence-sharing system between Japan and the United States.

Regarding China's military modernization, the white paper pointed out: "Since the immediate target is the Taiwan issue, there is heightened concern that has brought forth the argument, for example, that perhaps they have surpassed what is needed to respond to the Taiwan issue." The wording has gone farther than what was in the white paper in 2006 that went: "The prudent judgment might be made that China is exceeding the scope needed for its own defense, so we need to carefully watch such from now."

Specifically, the paper, referring to China's naval power, stated, "It is aiming to build the capability of carrying out tactical operations in waters even farther away than before." On its air power, too, the paper stated: "It is aiming to build a capability to command the air, as well as an air to ground and air to ship attack capability that is even more forward positioned."

On North Korea, in the 2006 white paper, because of the time factor, the missile issue was not mentioned, but in the 2007 edition, there is analysis of the ballistic-missile launches. It noted that out of the seven missile launches, one was Taepodong-2 (range of 6,000 kilometers) that failed. The paper took the view that "it is conceivable that they are working on an even longer-range ballistic missile, including the possibility of it being a derivative type."

There was little analysis of North Korea's nuclear weapon text last October, with the text only going so far as to state: "There is a full possibility of further development of a nuclear weapons program, so there is need to carefully watch their moves, including miniaturization and war-head development."

In addition, with this being the first white paper to be published since the raising of the defense agency to a ministry, there is a new chapter on the Self-Defense Forces, since the change, being given international peacekeeping operations as a main duty.

(6) Japan now on very thin ice, starts sinking (Part 4): "I want to erase wrong image of Japan"

SANKEI (Page 1) (Slightly abridged)
July 6, 2007

Researcher Yuki Tatsumi at the Henry L. Stimson Center, a think tank in Washington, received a telephone call in early September of last year from Dennis Halpin, an assistant to Foreign Affairs Committee Chairman Henry Hyde (Republican). Halpin said: "What's going on in Japan?"

On August 15, just before the phone call, (then) Prime Minister Junichiro Koizumi visited Yasukuni Shrine, coming under heavy fire from major American press companies. Some of them reported that nationalism was surging in Japan.

Halpin told Tatsumi that the committee would hold a public hearing titled, "Relations between Japan and its neighbors," and asked her to speak as a Japanese on such issues as the rise of nationalism. Sakie Yokota, mother of abduction victim Megumi Yokota, had testified at the same committee five months before, but it is quite rare for a Japanese to speak of Japan's policy on such an occasion. Tatsumi hoped to do her best to wipe out the wrong image about Japan.

Tatsumi felt uncomfortable when she read these two articles: "Thought police are gaining power in Japan" that ran in the Aug. 27 issue of the Washington Post and "A series of worrisome events" in the news letter issued by the Pacific Forum CSIS on August 24. The first article stressed that right-wingers seeking a return to the militarism that dominated the nation in the 1930s were becoming mainstream in Japan, while the second one analyzed that a political atmosphere of constraining free speech was being created.

Tatsumi said: "These articles give us the impression that Japan is tinged with extremist nationalism. I must accurately convey Japan's current circumstances." Tatsumi was born in Tokyo. She studied security affairs at the John Hopkins University Graduate School after graduating from International Christian University. She once worked at the Japanese Embassy as a special analyst. She was trained to be able to express what she wants to say in a five-minute speech.

In the public hearing on Sept. 14, Chairman Hyde said, "Yasukuni Shrine worships the souls of war criminals." Tom Lantos (Democrat) also critically said: "(The prime minister's visit to Yasukuni Shrine) is tantamount to placing a wreath on the grave of the Nazi Himmler."

Michael Green, former senior director for Asian Affairs at the National Security Council, Kurt Campbell, former deputy assistant secretary of defense, and Mindy Kotler, a female activist, testified

SIPDIS

in the public hearing. Following them, Tatsumi talked about the significance of the prime minister's annual visit to Yasukuni Shrine as follows:

"The prime minister's visit is intended to pay respects to soldiers who died in World War II and to renew his pledge for peace. A visit to Yasukuni Shrine means there is healthy development in Japan, that is, Japan is facing its own past and self-reflecting on it ... Most Japanese do not support those views that admiring their country's past military aggression. Nationalism in Japan means to many people a feeling of being proud of one's country. It is close to the concept of patriotism in the United States."

Of 52 Congress members who participated in the public hearing, eight took the floor as questioners. Barbara Lee (Democrat) said: "I heard that Japan is preparing to enable Japan to engage in warfare by changing its pacifist constitution." In response, Tatsumi stated:

"There exists in Japan among the people an understanding that we must never again engage in aggressive war. Under the government's current interpretation of the Constitution, when Self-Defense Force (SDF) troops participate in United Nations peacekeeping operations with American or Chinese troops, SDF personnel are not allowed to come to their aid even if they are attacked. The ongoing debate in Japan is aimed to enable the SDF to assist troops from other countries."

Lantos summarized the meeting with this comment: "All of us learned a lot." Halpin also shook hands with Tatsumi, saying, "It was very good." Tatsumi believed she did her best to portrait the real picture of Japan with her own words, but she was not sure about to what extent she was able to have the US, Japan's sole ally, understand its basic position.

English newspapers give the image of Japan as "a terrible country"

"Even 10 PERCENT of what Japanese think has not been properly relayed to foreign countries. The United States determines its policy, based only on what was dispatched in English."

In a symposium in Tokyo this March, Tsuneo Watanabe, a visiting researcher at CSIS (Center for Strategic and International Studies), stressed how poor Japan's capability to transmit and disseminate its messages to foreign countries. He then quoted a statement by a

TOKYO 00003100 007 OF 009

minister in Southeast Asia as saying: "Reading English newspapers, we think what an awful country Japan is, but it is not true in actuality. I wonder why there is such a wide gap between the reality of Japan and what is related in English."

The English-language media tend to take Japan as a somewhat weird country. Even within the nation, there are also some who dispatch such an image of Japan, resulting in stressing the image of a distorted Japan. For instance, some report that Japan is about to rush toward militarism.

In actuality, though, Japan is about to become a normal state in accordance with what the international community see as common sense, as Tatsumi said.

The problem is how far the Japanese government has talked about it and how it has dispatched this fact to foreign countries.

Since he assumed office last September, Prime Minister Shinzo Abe

has an intention to revise the Constitution and to study scenarios about the use of the right to collective self-defense. He is the first postwar prime minister to speak of amending the Constitution.

The Washington Post noted on Sept. 25 of last year: "Japan's pacifism is about to be weakened." But it can be taken as just the opposite to mean that Japan's face is becoming more visible.

Abe's predecessors never talked much about the government's policy, because they blindly followed the established policy of giving priority to economic growth while relying on the US on the security front.

Should Japan continue to be a "silent power," it will just be tossed about by the wild waves of international politics.

(Corrected copy) Koike assumes one key post after another owing to "keen sense of (political) smell," arousing jealousy of lawmakers eager to join cabinet

TOKYO SHIMBUN (Page 24) (Full)
July 5, 2007

The first female defense minister in history was inaugurated yesterday. This is the second cabinet post given to Yuri Koike, who has served five terms in the House of Representatives. Some Liberal Democratic Party (LDP) members who are yearning for a cabinet post are overheard saying, "I wonder why only Koike has been treated favorably." But such lawmakers first should learn from her how to get along in the political world.

In a press conference she gave after assuming the top defense post, Defense Minister Koike countered an attack against Democratic Party of Japan (Minshuto) President Ichiro Ozawa, who has stepped up his criticism of the Abe administration.

Koike said: "I know best about Mr. Ozawa's defense policy. In Minshuto, (views over defense policy) are split. Ozawa should announce not his own ideals but the party's policy. Unfortunately, I have to return (his criticism) to him." The reason why she had to "unfortunately" denounce the leader of the main opposition party is because she moved from party to party.

TOKYO 00003100 008 OF 009

After graduating from Cairo University, Koike served as an anchorwoman for the TV Tokyo program, "World Business Satellite." In 1992, she ran as a candidate backed by the Japan New Party in the House of Councillors election, ranked 2nd, following party head Morihiro Hosokawa, among candidates for the party's proportional representation segment and was elected for the first time.

In 1993, Koike ran in the Hyogo No. 2 constituency of the Lower House election and won a Lower House seat for the first time. She joined the defunct New Frontier Party supporting current Minshuto leader Ichiro Ozawa in 1994. After the party was disbanded in 1997, she became a member of Jiyuto (the Liberal Party). When Jiyuto left the coalition government in April 2000, she took part in establishing Hoshuto (the Conservative Party), separating from Ozawa.

Koike became a member of the LDP in December 2002. In July 2003, she joined the Mori faction (now, the Machimura faction), from which Junichiro Koizumi became prime minister in July 2003. She served as environment minister from September 2003 through September 2006, during which she pushed for the introduction of the Cool Biz campaign, a casual business dress code.

In the 2005 general election, Koike volunteered for Koizumi's first "assassin" position against an LDP lawmaker who voted against postal privatization bills, changing her constituency from Hyogo to the Tokyo No. 10 constituency. At that time, Koizumi flattered her by saying: "You are really courageous, though you are also charming." When the Abe administration was launched last September, she was appointed as Abe's special advisor.

Some call her a "migratory bird," focusing on her hopping from one political party to another. But all of the five political parties to which Koike once belonged are now defunct. It can also be taken that Koike is a successful woman who rode out the storm of the reorganization of the political scene that started in the 1990s. What is to be particularly noted is that she got in close to the most influential figures in the political parties to which she belonged or belongs, such as former Prime Minister Hosokawa, Ozawa, former Prime Minister Koizumi, and Prime Minister Abe.

The following was a typical success story in the LDP in the past: A high position is finally awarded to a person who pledged loyalty to his or her factional boss and steadily dealt with unspectacular work for decades. Koike's political stance, however, is far from this style. Her case might be regarded as a new success model.

Kichiya Kobayashi, a political commentator, said: "Ms. Koike has a keen sense of smell to sniff out who holds the supreme power of the time. This must be something she was born with." He added: "While assuming political power for five years and five months, Prime Minister Koizumi picked himself those with whom he wanted to work, abolishing the conventional stance of giving priority to a balance between factions and to seniority. This new approach has now taken root. In the current political world, lawmakers who have a poor sense of smell will never be blessed with an important post, even if they are competent."

Will anyone be promoted to an important post if they improve their sense of smell? To this question, Kobayashi replied: "If you make such efforts unskillfully, those around you might take the efforts as part of trickery and boo you. In such a case, the prime minister

TOKYO 00003100 009 OF 009

will find it difficult to field you to a key post. If such a sense of smell is natural one, though, criticism will not grow louder." It seems difficult for conventional-type lawmakers to follow Koike's political stance.

Koike published the book titled, "Ways for women to establish personal contacts - Success women's passport." Koike might become the first (prime minister) in (the nation's) history.

SCHIEFFER